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Comptroller

4 January 1955

Chief, Finance Division

**Preparation of a List of Covert Projects on Which There is
Insufficient Information for Proper Accounting**

REFERENCE: Your memorandum of 14 December 1954, subject above

1. In accordance with request contained in reference memorandum, attached are lists of projects administered by the Deputy Director (Plans), for which this Division receives insufficient information for proper accounting. As you will note, we have interpreted the request to cover all instances wherein records of expenditures of funds are not supported by auditable detail such as receipts, schedules, etc., showing the where, when, why, what and to whom of disbursements. The scheduling of these projects does not indicate that appropriate approval of disbursements has not been obtained or that disbursements which do not conform with requirements of law or regulations have been made. On the contrary, you will note that in most instances appropriate approval has been granted which provides for the recording of expenditures on the basis of certifications in lieu of presentation of detail to support accountings.

2. Three listings, identified as follows, are attached:

a. Covert Projects on Which Detail Accounting Documentation is not Furnished the Finance Division.

b. Covert Projects on Which There is Insufficient Information for Proper Accounting Because Required Reports are Delinquent.

c. Proprietary Projects on Which There is Insufficient Information for Proper Accounting Because the Required Reports are Delinquent or Deficient.

3. Subsidy type projects wherein write-off of advances is normally authorized upon presentation of receipts have not been listed. Also, proprietary projects in process of liquidation are not included.

4. In connection with the listing of covert projects wherein insufficient information for accounting purposes has been received due to delinquent reporting, it should be noted that in some cases efforts to correct delinquency have been undertaken in accordance with operating procedures approved by the DD/A

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and the Inspector General. It is my opinion that action taken under these procedures will prove effective and that action as a result of this listing is unnecessary.

5. This presentation does not take into consideration the FI Projects, for which the Comptroller's Office does not receive copies of operational or administrative plans for use in auditing project expenses. FI Project expenses can, therefore, be audited only as to their reasonableness and the adequacy of documentation in support thereof.

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Attachments

Distribution:

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TRANSMITTAL SLIP		
<u>31 January 1955</u> (Date)		
TO: Deputy Director (Plans)		
BUILDING "L"	ROOM NO. 1046	
REMARKS: <p>In an attachment to an undated memorandum from the Director to the Deputy Director (Administration) on the subject of "Recommendations of the Doolittle Study Group," it was stated that the "Comptroller will furnish the DD/P by 1 January 1955 with a list of all existing covert projects in which there is insufficient information for proper accounting."</p> <p>The attached is such a list, along with an accompanying explanatory memorandum.</p>		
FROM: Deputy Director (Administration)		
BUILDING Admin.	ROOM NO. 226	EXTENSION <div style="border: 1px solid black; width: 50px; height: 20px;"></div>

FORM NO. 36-8
SEP 1946

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